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ABSTRACT

This presentation identifies six areas of common interest between the California Postsecondary Education Commission (CPEC) and the Citizens Commission on Higher Education: (1) California needs to plan more effectively for the anticipated enrollment growth, particularly at the community college level; (2) the State ought to create a long-term financing plan that stabilizes funding for higher education; (3) California should adopt a statewide student fee policy that students and their families can use in order to plan for college costs; (4) there are significant problems inherent in the governance structure of the California Community Colleges; (5) new strategies are needed to increase access and enhance educational opportunity for all students; and (6) more effective linkages are needed between higher education and public schools. Rodriguez goes on to comment on the following additional areas: (1) how enrollment projections will affect California public higher education; (2) "autopilot" budgeting, which ties policymakers' hands; (3) improving accountability by establishing statewide goals and assessment measures for education; (4) the lack of funding for physical plant needs; (5) using Cal Grant awards for students attending independent institutions; (6) making transfer and articulation a high statewide priority; and (7) the role of CPEC. (TGO)

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PRESENTATION OF GUILLERMO RODRIGUEZ, JR.
Chair, California Postsecondary Education Commission
to
The Citizens Commission on Higher Education

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University of California at Berkeley
Bechtel Engineering Center

September 10, 1998

ED 431 498

GENERAL OPENING STATEMENTS

Good morning. On behalf of the California Postsecondary Education Commission, I would like to thank you for the opportunity to address your Commission this morning.

I would first like to thank you for the important contribution you have already made to higher education policy development. The work you have done thus far, and the report *A State of Learning*, that you have produced, have had the effect of raising the awareness of critical higher education issues facing California.

Having undergone a similar effort with our planning report, *The Challenge of the Century*, we understand how difficult the process is to examine these many different but interrelated issues and, in particular, to reach agreement on what specific recommendations ought to be put forth.

Ultimately, we hope that your report, in concert with the work that we at the Postsecondary Education Commission undertake, will raise that awareness sufficiently such that policymakers take notice and that some of these important issues begin to get addressed.

AREAS OF AGREEMENT

As we have communicated to you in a recent correspondence, CPEC, through its process in developing *The Challenge of the Century, A Capacity for Growth*, and its numerous other policy efforts, has struggled with many of the same issues that your Commission recently has in *A State of Learning*.

Through these efforts, I can tell you that there are many areas in which our two Commissions agree. For instance, we agree that:

1. **the State needs to plan more effectively for the anticipated enrollment growth;**
2. **that the State ought to create a long term financing plan that stabilizes funding for higher education;**
3. **the State should adopt a statewide student fee policy that students and their families can rely upon to plan financially for the costs of college attendance;**
4. **there are significant problems inherent in the governance structure of the California Community Colleges;**
5. **new strategies are needed to enhance educational opportunity for all students; and,**
6. **more effective linkages are needed between higher education and public schools.**

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ENROLLMENT PROJECTIONS

I think it is important that, before we address specific issues, that we say a few words about the Commission's enrollment projections, because they serve as an important basis for the work that both our Commissions have been engaged in, and will continue to be engaged in for some time.

I understand that last week your Commission heard from the Legislative Analyst Elizabeth Hill regarding her analysis that there is simply no Tidal Wave of students facing postsecondary education. *We must respectfully disagree.*

In 1995, the Commission released *A Capacity for Growth*, a long range look at postsecondary enrollment and existing capacity of our state's institutions of higher education.

We reached the conclusion that an additional 455,000 students will seek access to higher education between 1993 and 2005. At that time, we estimated that the CSU would see an increase of about 85,000 new students and UC would see an increase of 32,000 new students. But the Community Colleges would feel the greatest impact with nearly 338,000 new students seeking access to their services -- resulting in a total enrollment in that system of over 1.7 million.

In addition, we expect that these students will be the most diverse ever. The high school graduating class of 2006 is expected to be comprised of 38.1% whites, 37.2% Latinos, 16% Asians, and 7.9% Blacks.

In addition, the number of students who come from homes in which English is not the primary language is expected to continue to increase. In 1996, the proportion of students in kindergarten through grade 3 who have limited English proficiency was about 32%.

Let me emphasize that we stand behind our projections. Without taking too much time, let me just point out a few critical differences between our projections and the Analyst's projections.

First, CPEC's enrollment projections concluded that *participation rates of all students will increase modestly*.

We believe these rates will increase due to:

1. **The growth in the number of high school graduates seeking admission to our State's colleges and Universities -- K-12 enrollment is anticipated to grow by 1 million students between 1995-96 and 2005-2006 to 6.3 million students. Also, the number of high school graduates is expected to increase by 30 percent during that same period of time. Half of California's high school graduates go on to higher education.**

2. **The growing number of adults seeking postsecondary education; In recent years, there has been much greater emphasis placed on the idea of life- long learning. We know that an increasing number of college-going students are older students, particularly in the community colleges, who are seeking retraining and improvement of job skills so that they can keep up with the changing job market.**

3. **Modest increases in enrollment rates for historically underrepresented groups. For example, at the State University, the Commission estimates that both African American and Latino**

enrollment rates are estimated to increase by some 2 percent over the 12 year period.

The major difference between our projections and the Analyst's projections is that the Analyst's projections are based on the assumption that there will be NO improvement in participation rates for the state's students. CPEC's figures assume a gradual return to pre-recessionary participation rates for all students while allowing for some modest improvement in the participation of underrepresented students.

As you know, the State's K-12 system has undergone a series of changes -- changes designed to improve student achievement at every level. These include:

a. class size reduction in K-3 and now in 9th grade mathematics and English;
b. the adoption of K-12 standards in Mathematics, Language Arts, Science, and Social Science/History;
c. Statewide Assessment of K-12 students (STAR system);
d. the eventual alignment of standards and assessment for K-12; and,
e. the expansion of charter schools

In addition, higher education has recently taken a more prominent role in assisting in the improvement of K-12:

a. they have begun to rethink teacher education programs; and,

b. they have expanded their outreach efforts. This year, I am pleased that there will be a significant infusion of new state dollars for academic preparatory and outreach programs -- both student centered and school centered programs. The Commission's research shows that many of these programs have demonstrated success in improving student achievement.

The Commission believes that it would be irresponsible not to recognize the possible gains in student performance that the implementation of many of these reforms and increased outreach efforts will have on college participation rates. Further, the work we did in our 1996 Eligibility Study shows that, although eligibility rates are down slightly, a greater number of students are preparing for college admissions: more students are taking the A-F requirements, more students are taking Advanced Placement courses, and more students are taking the standardized college admissions tests.

In the next few months, the Commission will revisit its enrollment projections using more recent information, including that from the 1996 Eligibility Study. However, our hunch is that these numbers will increase, not decrease.

In fact, in comparing our estimates with actual enrollment for the past two years, we have been very close for UC enrollment, and CSU and community college enrollment is outpacing our enrollment estimates by about 2 percent per year.

That said, the Commission believes strongly that the State should adopt a multi-pronged approach to address this demand -- so that the promises of the Master Plan for Higher Education will continue to hold true -- that is, so that every Californian who desires an education and who can benefit can have one.

There are a few additional areas in which I would like to comment on behalf of the Commission.

FINANCING OF HIGHER EDUCATION

CPEC shares with you the concern for what you have termed, the "boom and bust" cycle of funding for higher education.

We have seen that, in an effort to respond to declines in state General Fund monies to the systems during lean budget years, the systems have repeatedly turned to students and their families to make up the difference. As a result, students and their families have experienced significant increases from year to year in the amount of fees that they are asked to pay. These fee increases are sudden and unexpected and many families are caught unprepared. So we understand the importance of developing a plan that stabilizes funding for higher education.

However, during the discussions surrounding *The Challenge of the Century*, the Commission specifically rejected a similar recommendation to the one you are proposing, that is, guaranteeing a specific share of the State General Fund budget for higher education. The Commission has historically disagreed with autopilot budgeting because it ties the hands of policymakers and because it steers the discussion away from what resources are needed in order to achieve goals and priorities to one that is simply formula- driven.

This is an area which we believe to be central and, because it is unlikely that California will significantly alter its current budgeting process, we continue to struggle with as well.

STUDENT FEE POLICY

We have, however, tried unsuccessfully to move the state toward the adoption of a statewide student fee policy.

We suggest fees be based upon a certain percentage of the prior year's instructional costs per student and that any increases in fees be fair, moderate, and predictable, and that they be capped.

While we have been unsuccessful in implementing this recommendation thus far, we will continue to work in this area because we believe that students and their families ought to be able to plan, at least generally, for the costs of higher education.

While your proposal might make fees more predictable, we question whether it meets the fairness challenge as it calls for the raising of fees each year, regardless of the actual need to increase fees.

IMPROVING ACCOUNTABILITY

But most important, we are concerned that your recommendations on financing of higher education, coupled with your recommendation that there be an annual increase in student fees -- would provide the three public systems of higher education with significant new resources each year without also requiring that they take action to contain their costs or improve productivity and efficiency.

Under this scenario, there would be no incentives for changing the way institutions of higher education do business.

This year, the three public higher education systems will receive about $7 billion dollars in State funds. To justify these expenditures, we believe that the State ought to:

1. develop statewide goals for higher education;
2. develop measures to assess whether the institutions are accomplishing statewide, systemwide, and institutional goals; and
3. more effectively understand what is needed for student success in higher education and develop ways to measure how well institutions are meeting those needs.

California lags behind many other states in this respect. California has begun to institute a accountability measures for K-12. We believe, as recommended in The Challenge of the Century, that higher education ought to also be subject to some level of accountability as well. While your report touches on this issue, it ought to play a more prominent role in framing any discussion about higher education for the 21st century.

Over the next year, the Commission will elevate its efforts in this area because we believe it is of prime importance. We strongly suggest that you take a closer look at this area as well.

ENSURING ACCESS

We agree with your recommendation that the State ought to place the highest priority on using existing facilities more extensively and in identifying alternatives to new construction.

However, we are concerned that your report downplays California's significant and troubling capital outlay situation of higher education. Even if many of the alternatives to construction of new facilities are implemented, we estimate that California higher education's capital outlay needs amount to about $1.2 billion per year for each of the next ten years.

Most of this -- $825 million is estimated to be the cost to maintain the existing physical plants along with another $435 million needed to accommodate growth.

The bond measure that will be on the November ballot (which CPEC strongly supports) will, if passed by the voters, provide a portion of this -- $2.5 billion for higher education capital outlay needs. This amount will address the equivalent of only two years worth of need. As a result, the Commission believes that, should the necessary resources not be forthcoming, the quality of existing facilities will erode, the quality of education adversely impacted, and enrollment growth will not be fully addressed.

We believe this poses a significant problem for California higher education, and should be a priority for your consideration.

USE OF INDEPENDENT INSTITUTIONS

We agree with you that the State ought to use the capacity within its independent institutions. California has many outstanding independent institutions with space available for new students. We believe this sector can help accommodate some of the expected enrollment surge projected by CPEC.

It is for this reason we have supported increasing the maximum Cal Grant award for students enrolled in independent institutions. We believe this is a cost-effective way to utilize the capacity within the independent sector and to relieve some enrollment pressure from the public institutions.

However, we are interested in taking a closer look in the next few years at whether this practice --

the practice of increasing the maximum Cal Grant awards to maximize capacity within the independent institutions -- has actually accomplished the intended goal.

Additionally, we would welcome any other thoughts you have on how to better utilize their capacity.

LINKAGES WITH ELEMENTARY AND SECONDARY EDUCATION

We strongly agree with you that the link between higher education and K-12 should be a priority for both sectors.

For years, we saw that some relationships between public schools and their neighboring community college, CSU, or closest UC were strong. But in most communities, these relationships were, at best, weak, and too often lacking altogether.

We are pleased that improvements are being made in this respect. Outreach efforts have been expanded, particularly with the State's lowest achieving schools, more opportunities have been provided for students to participate in college preparation programs, higher education faculty have been involved in the development of academic standards for K-12, and, in general, there has been an increased awareness of the importance of providing a "seamless education" to achieve student success.

But more can and should be done to foster these relationships. Our 1996 Eligibility Study shows that clearly there continues to be an unequal playing field with respect to education in California's public schools. Blacks, Latinos, Native Americans, and students from rural areas continue to have low college eligibility and college-going rates. There are too many discrepancies in the number of college prep and Advanced Placement courses offered to students.

Higher education and California's policymakers must continue to keep these issues on the front burner and to continue to seek ways to foster the kinds of collaborations that lead to greater student achievement.

Again, we would welcome any additional thoughts you have on ways in which we can ensure that all students become eligible for college -- whether or not they ultimately choose a college-going path.

COMMUNITY COLLEGE GOVERNANCE

You have made some very strong recommendations about community college governance. CPEC has undertaken this effort as well and we are in the process of developing a report with recommendations that will be released in the next few months.

But clearly, we can agree that there are very difficult issues related to the governance of the community colleges that need to be addressed if this sector is going to be truly "a system" of higher education on equal footing with CSU and UC.

TRANSFER AND ARTICULATION

I also wanted to mention the issues of transfer and articulation. We do not see these issues prominently in your report, but our Commission believes these issues ought to be of prime importance in the next few years.

Ironing out the difficulties inherent in transfer and articulation has plagued California's higher education communities for years. Much has been done to improve the transfer and articulation -- both between systems and within a system -- in recent years. But many problems remain.

We believe that the time has come to make transfer and articulation a high statewide priority and to once and for all resolve these outstanding issues.

ROLE OF THE STATEWIDE COORDINATING BOARD

The Commission discussed your recommendations concerning CPEC and the role and responsibilities of the Commission at its most recent meeting.

We share with you the desire to strengthen CPEC's role as the planning and coordinating board for higher education.

We concur with your recommendation that calls for CPEC to serve as the prime advisor to the Department of Finance, the Governor, and the Legislature on how well the principles of the Master Plan for Higher Education are being accomplished and financed, for both public and private higher education. We believe this role to be important so that the Commission can serve as a stronger voice in deliberations in the annual budget process -- the process that drives public policy for higher education.

We also concur with your recommendation that the Commission serve as an agency to distribute special funds created to promote cooperation, efficiency, and resource sharing among all public and private higher education institutions and K-12.

We believe such funds could be used as incentives to accomplish change, achieve statewide goals for postsecondary education, and to identify best practices.

We would also like to convey to you that it is our Commission's strong belief that both the institutional representatives and the student representatives serving on the Commission are essential to the work that we do. CPEC has benefited greatly from their expertise and knowledge and we believe that maintaining their representation on the Commission is critical to ensuring the cooperation of the systems in implementing policy recommendations.

CLOSING THOUGHTS

Again, we congratulate you on the work that you have done and in bringing attention to these important matters.

We are interested in learning more about how your Commission intends to proceed after completion of these hearings and, specifically, we would welcome the opportunity to work collaboratively to address these important issues.

Thank you again for the opportunity to respond.

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